

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 AGR-05 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 AGRE-00 MC-02 /046 W
----- 074196

R 300745Z SEP 76

FM USLO PEKING

TO SECSTATE WASHDC 6483

INFO AMCONSUL HONG KONG

AMEMBASSY TOKYO

C O N F I D E N T I A L

LIMITED OFFICIAL USE PEKING 1974

E.O.11652: N/A

TAGS: ETRD, CH, US

SUBJECT: U.S. BUSINESS VISITORS REPORT -- SEPTEMBER

REF: A) PEKING 1795 B) PEKING 1922 D) 75 PEKING 2466

1. SUMMARY. THE DEATH OF MAO AND THE MID-SEPTEMBER MOURNING PERIOD THROTTLED ONCE MORE THE NORMAL FLOW OF BUSINESS VISITORS TO PEKING. DESPITE THE INTERRUPTION, THE NUMBER OF U.S. IMPORTERS IN CHINA WAS PROBABLY THE HIGHEST IN SEVERAL MONTHS, WITH THE LIGHT INDUSTRY CORPORATION DOING THE LARGEST VOLUME OF BUSINESS. TWO MAJOR U.S. EXPORTERS ARE NOW IN PEKING: DRESSER INDUSTRIES, WHO ARE NEGOTIATING SPARE PARTS LISTS FOR THE OIL WELL LOGGING EQUIPMENT SOLD TO THE PRC LAST YEAR, AND AN IBM DELEGATION DISCUSSING THE SALE OF AN IBM 135 COMPUTER. END SUMMARY.

2. THE NUMEROUS VISITORS TO PEKING HOSTED BY THE LIGHT INDUSTRY CORPORATION GENERALLY DECLARED THEMSELVES SATISFIED WITH PRICES AND SELECTIONS OFFERED THEM DURING THEIR VISITS TO PEKING THIS MONTH.

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SEVERAL IMPORTERS NOTED THEIR DISAPPOINTMENT IN THE

MINI-FAIRS HELD SIMULTANEOUSLY IN CANTON, SHANGHAI AND WUSHI, WHICH THEY ATTENDED ON THE WAY TO PEKING. MRS. LEE SOBIN, BUYING ON HER OWN ACCOUNT RATHER THAN FOR HER HUSBAND'S COMPANY, SOBIN CHEMICALS (BOSTON), PURCHASED LARGE QUANTITIES OF ARTICLES FOR DAILY HOUSEHOLD USE, WHICH SHE WILL MARKET FOR SALE THROUGH THE U.S. DISCOUNT HOUSES. REPRESENTATIVES OF RINGLING BROTHERS BARNUM AND BAILEY SHOWS WERE INVITED BACK TO PEKING BY THE LIGHT INDUSTRY CORPORATION TO LOOK AT CHINESE TOYS, BUT THEY CONFIDED TO USLO THAT THE REAL OBJECT OF THEIR TRIP WAS TO TRY AGAIN TO PERSUADE THE PRC TO PART WITH A PAIR OF PANDAS.

3. JEAN GOODSON OF THE INTERNATIONAL HAT COMPANY (ST. LOUIS) PAID HIS SECOND VISIT TO SHANGHAI AND PEKING, NEGOTIATING WITH THE LIGHT INDUSTRY CORPORATION AND THE TEXTILE CORPORATION ON CONTINUED SHIPMENTS OF LARGE QUANTITIES OF WOVEN STRAW MATERIAL AND TEXTILES FOR HATS -- A TOTAL BUSINESS OF ABOOUT \$750,000 A YEAR. GOODSON HAD NO GREATER PROBLEMS THAN USUAL IN AGREEING ON THE LONG TERM CONTRACTS CUSTOMARY IN HIS LINE. HE ALSO HAS NOTICED NO GREATER THAN USUAL SLIPPAGES IN RECENT DELIVERIES OF GOODS TO SEATTLE, WHERE THEY ENTER THE STATES FOR TRANSSHIPMENT TO ST. LOUIS.

4. THE MAJORITY OF THE LIGHT INDUSTRY CORPORATION'S GUESTS WERE INTERESTED IN ART, ANTIQUES AND JEWELRY, AND ALL REPORTED SATISFACTORY PURCHASES IN PEKING. GENE WESTON OF WESTON'S (DALLAS), MAKING HIS THIRD TRIP TO CHINA, BOUGHT A WIDE VARIETY OF PRODUCTS IN PEKING AFTER DISAPPOINTING STOPS IN CANTON AND SHANGHAI. REPRESENTATIVES OF MARSH DEPARTMENT STORE IN SAN FRANCISCO ALSO MADE A BUYING TRIP TO PEKING THIS MONTH. MICHAEL SREDNICK OF THE MICHAEL SREDNICK COMPANY (BEVERLY HILLS) BOUTH OVER \$250,000 OF ANTIQUES AND ART.

5. OTHER IMPORTERS IN PEKING IN SEPTEMBER INCLUDED TEXTILE BUYERS (REF A) AND IDC MARKETING (REF B), WHO CONFIDENTIAL

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NEGOTIATED ON BEHALF OF A VARIETY OF CLIENTS, INCLUDING THE LIBBY FOOD COMPANY.

6. UNSUCCESSFUL SELLING TRIPS WERE MADE BY A FOUR-MAN TEAM FROM KODAK, LED BY CHARLES FITTER FROM THE HEAD OFFICE IN ROCHESTER, NEW YORK AND A DELEGATION FROM ROHM AND HAAS (PHILADELPHIA) BOTH OF WHOM DISCUSSED SALES TO THE CHEMICAL CORPORATION.

7. DRESSER INDUSTRIES' EXPORT SALES DIVISION MANAGER ROBERT BRIMBERRY, BOB COOK AND A.H. YOUMANS ARRIVED IN PEKING SEPTEMBER 6 TO BEGIN NEGOTIATION WITH THE MACHINERY CORPORATION OF DETAILED LISTS OF SPARE PARTS FOR THE OIL WELL LOGGING EQUIPMENT SOLD CHINA LAST YEAR. THE NEGOTIATIONS PROCEEDED THROUGHOUT THE MOURNING PERIOD, ALTHOUGH AT A REDUCED PACE BECAUSE OF RECURRENT ABSENCES ON THE PART OF THE CHINESE. BRIMBERRY REPORTS THAT THE MACHINERY CORPORATION NEGOTIATORS, AS USUAL, ARE BUYING SPARE PARTS IN EXTREMELY LARGE QUANTITIES.

7. IBM'S FIVE-MAN DELEGATION, ESCORTED BY CHASE PACIFIC TRADE ADVISORS' KEN MORSE AND MARY WORDSWORTH, ARRIVED IN PEKING IN THE LAST WEEK OF SEPTEMBER TO DISCUSS THE SALE OF AN IBM 135 COMPUTER. THIS COMPUTER WILL FOR A PART OF A CENTRIFUGAL COMPRESSOR PLANT, THE TECHNOLOGY FOR WHICH HAS ALREADY BEEN SOLD THE TECHNICAL IMPORT CORPORATION BY NUOVO PIGNOME. (MORSE SUGGESTS THAT THE TURBINE TECHNOLOGY PURCHASED FROM SIEMENS LAST DECEMBER (REF C) WILL BE USED IN CONJUNCTION WITH THE CENTRIFUGAL COMPRESSOR PLANT.) THE WAY THE PURCHASE WILL BE HANDLED BY THE TECHNICAL IMPORT CORPORATION IS NOT YET CLEAR; POSSIBILITIES INCLUDE A TURNKEY PLANT SALE BY NUOVO PIGNOME THAT WOULD INCLUDE THE IBM 135, OR A SEPARATE SALE OF THE COMPUTER FROM IBM TO THE TECHNICAL IMPORT CORPORATION. WHATEVER THE MODE OF PURCHASE, HOWEVER, IBM IS RELATIVELY CONFIDENT OF A SALE IN VIEW OF THE ALREADY SUBSTANTIAL PRC INVESTMENT IN THE RELEVANT TECHNOLOGY, REPRESENTED BY THE SIEMENS AND NUOVO PIGNOME DEALS.
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8. THIS CABLE CONTAINS COMMERCIALY SENSITIVE INFORMATION WHICH SHOULD NOT BE DISCUSSED OUTSIDE OF THE USG.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, TRADE PROMOTION, TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PEKING01974
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Film Number: D760369-1141
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976092/aaaaabmf.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 PEKING 1795, 76 PEKING 1922, 75 PEKING 2466
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAY 2004 by ShawDG>; APPROVED <20 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. BUSINESS VISITORS REPORT -- SEPTEMBER
TAGS: ETRD, CH, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006